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**THIRTEENTH
ANNUAL
REPORT**

★

**COULEE LEAD
AND ZINC MINES LIMITED**

REVIEW OF PERIOD
ENDED APRIL 30

★

1966

Board of Directors

E. P. McDONOUGH	-	-	-	-	-	-	-	-	TORONTO, ONT.
L. F. LABOW	-	-	-	-	-	-	-	-	TORONTO, ONT.
G. S. HORGAN, Q.C.	-	-	-	-	-	-	-	-	TORONTO, ONT.
BRIAN McDONOUGH	-	-	-	-	-	-	-	-	TORONTO, ONT.
S. A. PERRY	-	-	-	-	-	-	-	-	TORONTO, ONT.

Executive Officers

E. P. McDONOUGH	-	-	-	-	-	-	-	-	-	President
L. F. LABOW	-	-	-	-	-	-	-	-	-	Vice-President
G. S. HORGAN, Q.C.	-	-	-	-	-	-	-	-	-	Secretary-Treasurer

Transfer Agents and Registrar

GUARANTY TRUST COMPANY OF CANADA

366 Bay Street	-	-	-	-	-	-	-	-	TORONTO, ONT.
610 St. James Street West	-	-	-	-	-	-	-	-	MONTREAL, QUE.

Auditors

NEFF, GOODWIN & Co.

347 Bay St.	-	-	-	-	-	-	-	-	TORONTO, ONT.
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Head Office

55 YONGE STREET	-	-	-	-	-	-	-	-	TORONTO, ONT.
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Annual Meeting

MONDAY, JUNE 27, 1966, 11 A.M.
(TORONTO TIME), Upper Canada Room
KING EDWARD SHERATON HOTEL, TORONTO

Coulee Lead and Zinc Mines Limited

Review of Period Ended April 30, 1966

TO THE SHAREHOLDERS:

Your Directors take pleasure in submitting the Thirteenth Annual Report for the period ended April 30, 1966. The balance sheet has been brought up to this date in order to provide shareholders with current information.

Total Current Assets as of April 30th, 1966, were \$708,087.80 as compared to \$851,844.54 on December 31, 1964. The decrease in Working Capital can be attributed mainly to the active exploration programs being conducted by your company. Total advances to Columbium Mining Products Ltd. to April 30, 1966, amount to \$382,246.16.

Columbium Mining Products Ltd., in which your company hold approximately 52% of the issued capital stock, has entered into a sales contract with Continental Ore Corporation of New York, which provides for the sale of a minimum of 2.6 million pounds of Columbium pentoxide per year for a 10 year period from the start of full production. Detailed information regarding this deal has been given to registered shareholders by a progress report dated April 15, 1966.

Negotiations for senior financing are underway and management is hopeful that this can be arranged so that a production target date in the fall of 1968 can be met.

A total of 10,635 feet of diamond drilling was done on your company's "Tower Group" property in the Bathurst-Newcastle area of New Brunswick. No ore bodies were located. A mineralized tuff zone carrying scattered low values in copper and zinc was encountered and after a thorough technical study, consideration will be given to additional work.

The company holds extensive acreage in this mining district and a second exploration program is ready to start on the area north of the Nepisiguit River and east to the Brunswick #6 boundary. This preliminary program will consist of line cutting and a Self-Potential survey and will likely be followed by an I.P. survey and diamond drilling of the more favourable locations.

Interests in concessions located in County Tipperary, Ireland and mining claims in Reaume Twp., Ontario, were maintained in good standing during the year.

Your company will maintain its active prospecting and exploration policy.

Respectfully submitted,

E. P. McDONOUGH,

President.

May 31, 1966.

COULEE LEAD AND

(Incorporated under the laws of the Province of Ontario)

Balance Sheet as at April 30, 1966

ASSETS

Current assets:

Cash	\$ 75,645.99	
Accounts receivable	41,192.30	
Marketable securities (Quoted market value \$555,486.40)	591,249.51	\$ 708,087.80

Investment in Columbiium Mining Products Limited

Capital stock — at cost	\$192,124.20	
Advances	382,246.16	574,370.36

Investment in other mining companies — at cost

Carndesson Mines Limited	\$ 93,106.87	
Other companies	58,836.09	151,942.96

Advances to other mining companies 20,963.64

Mining properties — at cost (Note) 17,887.69

Deferred exploration expenditure:

Irish concessions	\$ 4,499.17	
Reaume Township claims	13,623.45	
New Brunswick claims	96,075.08	114,197.70

Equipment — at cost 13,364.32

Patent processes — 50% interest — at cost 11,915.00

\$ 1,612,729.47

AUDITORS' REPORT

We have examined the balance sheet of Coulee Lead and Zinc Mines Limited as at April 30, 1966, and the application of funds for the sixteen months ended on that date. Our examination included supporting evidence as we considered necessary in the circumstances.

In our opinion, the above balance sheet and attached statements of deficit, deferred charges and income position of the Company as at April 30, 1966, and the results of its operations for the sixteen months ended on a basis consistent with that of the preceding period.

TORONTO, Canada,
May 24, 1966.

NC MINES LIMITED

(Incorporated under the laws of Ontario)

April 30, 1966

LIABILITIES

Current liabilities:

Accounts payable	\$	4,119.98
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SHAREHOLDERS' EQUITY

Capital stock:

Authorized: 5,000,000 shares of \$1.00 each	
Issued and fully paid: 4,286,505 shares	\$ 4,286,505.00
Add: Premium on shares	250,000.00

\$ 4,536,505.00

Less: Discount on shares	2,860,200.00
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\$ 1,676,305.00

Deficit	67,695.51	1,608,609.49
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Approved on behalf of the Board:

E. P. McDONOUGH, Director.

G. S. HORGAN, Director.

\$ 1,612,729.47

THE SHAREHOLDERS

On April 30, 1966 and the statements of deficit, deferred exploration expenditure and source and general review of the accounting procedures and such tests of accounting records and other

information as to exploration expenditure and source and application of funds present fairly the financial position of the Company at that date in accordance with generally accepted accounting principles applied

NEFF, GOODWIN & CO.,
Chartered Accountants.

Coulee Lead and Zinc Mines Limited

Note to the Financial Statement

As at April 30, 1966

Mining Properties:

Ireland:

50% interest in prospecting license covering 10 square miles in County Laois	\$ 797.65	
12½% interest in prospecting license covering 3.5 square miles in the Silver mines area of County Tipperary	385.00	\$ 1,182.65

Ontario:

51 mining claims in Reaume Township, Porcupine Mining Division		10,000.00
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New Brunswick:

Tower Group — 25 mining claims on the Bathurst area of Gloucester County	\$ 973.64	
Armstrong Brook — 25 mining claims in the Bathurst area of Gloucester County	1,042.40	
Nepisiguit River — 175 mining claims in the Bathurst area of Gloucester County	4,689.00	6,705.04
		<u>\$17,887.69</u>

Statement of Deficit

For the Sixteen Months Ended April 30, 1966

Balance, at credit, December 31, 1964		\$26,857.23
Add: Interest and dividends		<u>42,418.64</u>
		\$69,275.87
Less: Administration and general expense:		
Office rent, salaries and services	\$24,929.15	
Meetings and reports	3,491.18	
Legal and audit fees	5,749.55	
Transfer agency fees	2,288.22	
Licenses, fees and taxes	1,078.41	
Directors' fees	<u>1,175.00</u>	
	\$38,711.51	
Engineering fees	4,000.00	
Prospecting salaries and expenses	<u>26,713.40</u>	
Acquisition cost and exploration expenditures on mining claims abandoned	32,558.37	
Loss on sale of marketable securities — net	<u>34,988.10</u>	136,971.38
Balance, at debit April 30, 1966		<u>\$67,695.51</u>

Coulee Lead and Zinc Mines Limited

Statement of Deferred Exploration Expenditure

For the Sixteen Months Ended April 30, 1966

Irish concessions:

Balance, December 31, 1964	\$ 4,186.67
Consulting fees and expenses	312.50
Balance, April 30, 1966	<u>\$ 4,499.17</u>

Reaume Township claims:

Balance, December 31, 1964		\$13,391.43
Licenses, fees and taxes	\$ 135.00	
Consulting fees and expenses	92.50	
Maps	4.52	232.02
Balance, April 30, 1966		<u>\$13,623.45</u>

New Brunswick claims:

	Tower Group	Armstrong Brook	
Diamond drilling	\$31,334.25	\$ 1,762.00	
Salaries and wages	15,585.00	5,552.00	
Geophysical surveys	9,945.62		
Consulting fees and expenses	5,479.88	2,404.33	
Supplies	5,243.81	1,882.06	
Equipment rental	1,407.20		
Travel and transportation	3,383.89	801.86	
Line cutting	4,705.00	1,949.00	
Bulldozing	3,048.00		
Assaying	542.00		
Licenses, fees and taxes	100.00	287.37	
Insurance, compensation, etc.	68.89		
Sundry expense	445.35	147.57	
	<u>\$81,288.89</u>	<u>\$14,786.19</u>	<u>\$96,075.08</u>

Coulee Lead and Zinc Mines Limited

Statement of Source and Application of Funds

For the Sixteen Months Ended April 30, 1966

Source:

Interest and dividends	\$ 42,418.64
Repayment of advances to Columbian Mining Products Limited	62,500.00
	<u>\$104,918.64</u>

Application:

Administration and general expense	\$ 38,711.51	
Exploration expenditure	96,639.60	
Engineering fees	4,000.00	
Prospecting salaries and expenses	26,713.40	
Acquisition cost of mining claims	5,189.00	
Loss on sale of marketable securities — net	34,988.10	
Advances to Columbian Mining Products Limited	41,730.08	
Advances to other mining companies	714.86	
Patent processes	893.50	
Equipment	182.77	249,762.82
	<u> </u>	<u>\$144,844.18</u>

Balance, representing the decrease in working capital as set out below:

	April 30 1966	December 31 1964	
Current assets	\$708,087.80	\$851,844.54	
Current liabilities	4,119.98	3,032.54	
Working capital	<u>\$703,967.82</u>	<u>\$848,812.00</u>	<u>\$144,844.18</u>